BTEC Assignment Brief

Qualification	Pearson BTEC International Level 3 Extended Diploma in Business and Hospitality
Unit number and title	**Unit 3: Business Finance**
Learning aims	**B:** Understand how financial planning tools can be used to analyse financial data and assess business risks **C:** Understand how financial statements for a sole trader are prepared and used to analyse and evaluate business performance
Assignment title	Investigate, plan, improve!
Assessor	*None required*
Hand out date	
Hand in deadline	

ormation N/A
u with
ent
ment
ached to
ent Brief

Vocational Scenario or Context	You are a budding entrepreneur, looking to further your financial literacy skills. A sole trader has approached you and asked for your help. They want you to analyse the performance of their business, identifying the current business risks and suggest ways that their business performance could be improved. You realise this is a great opportunity for you to truly understand how financial information can help a business monitor and improve their performance including how to prepare a formal financial report. Your report should include the following: • Title • An introduction of the details that are included in the report • Part One: Cash flow and break-even calculations and analysis, risks faced by the business • Part Two: Analysis of performance, conclusions and recommendations

Task 1	Choose a sole trader of your choice, but ensure you can have access to the appropriate financial data. You will need to present your findings in a financial report to the sole trader. Write a title for your report and an introduction to the business. **Part One** of your financial report must include: • An explanation of the purpose of: o Cash flow forecasts and statements o Break even analysis for the selected sole trader • An accurate cash flow forecast and statement and a break-even chart and calculation • Calculations and in-depth analysis using data from the sole trader's cash flow forecasts and statements and break even, to identify risks to the business. You should demonstrate your understanding of common risks e.g. an increase in fixed or variable costs, a reduction in selling price, decline in sales revenue etc • A detailed examination of the factors that impact on the business risks. • A broad range of conclusions and actions that the business could take to address these risks, based on the analysis of your calculations
Task 2	**Part Two** of your financial report must include: • An explanation of the purpose and the main components for sole traders of: o Statements of comprehensive income o Statements of financial position • Using the financial data from the sole trader, you must prepare an accurate: o Statement of comprehensive income